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EXTRAORDINARY

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MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 18th May 1950

SUBJECT:—*Income Tax Verification Certificate Registration of Scheme for the Second half of 1950 for the purpose of Import/Export Licensing.*

**No. 9-ITO (P.N.)/50.**—The following decisions taken by the Government of India in connection with the production of Income Tax Verification Certificates and allotment of Registration Numbers and the procedure to be adopted for applying for specific exemption from the production of such certificates for the period July-December 1950 are hereby published for general information:—

## I. GENERAL.

2. Income Tax Verification Registration Numbers/Exemption numbers allotted by the:—

- (1) Chief Controller of Imports
- (2) Deputy Chief Controller of Imports & Exports Bombay/Calcutta
- (3) Import/Export Trade Controller, Madras
- (4) Export Trade Controller, Amritsar

during 1949 and also such Income Tax Verification Registration Numbers/Exemption Numbers issued during January-June 1950 valid upto the 30th June 1950, will lapse automatically after June 1950 and every such Registration certificate holder is required to take out a new number before making applications for the July-December 1950 period.

## II. ALLOTMENT OF REGISTRATION NUMBERS

3. For individuals or concerns desirous of obtaining new Registration Numbers, applications in the revised form appended to this Notice duly filled in should be presented to the proper Income Tax Authorities (specified below) who will then verify the particulars from their record, subscribe the necessary verification certificates on all the copies required and return them so as to enable the applicant to forward the same to one of the officers referred to in the

preceding para. It is not necessary to obtain a separate number from each of the Licensing Authority, as for instance, a registration number allotted by the Chief Controller of Imports will be held valid by the Deputy Chief Controller of Imports, Bombay and *vice versa*.

4. The proper Income Tax Authorities for the purpose of this Public Notice will be:

- (i) Income Tax Officers of the Circle, Ward, or District where the applicant is assessed or assessable to Income Tax.
- (ii) In the case of applicants from Bombay or Calcutta the Income Tax Verification Certificate may also be sent to the Head Quarters Assistant Commissioner of Income Tax; from Madras and Delhi to the Inspecting Assistant Commissioner of Income Tax, respectively.

5. Instructions have already been issued by the Government of India, to the Income Tax Officers that the Income Tax Verification Certificates should be issued as specifically valid for a period of one year from the date of issue. In order to fit in the working of the Income Tax Registration Scheme with the two half yearly licensing periods in the issue of Import Licences, it has been decided that the Registration Number allotted against a complete Income Tax Verification Certificate will be valid for the half yearly licensing period in which the certificate is issued and for the next half yearly licensing period. For instance, on an Income Tax Officer's certificate issued during August 1950, a Registration Number allotted would be valid for the July-December 1950 period as well as for the next period ending June 1951. For this purpose a distinctive mark on the Registration Number issued hereafter showing the month and year when its validity expires will be adopted. The series of Registration Numbers thus issued will be as follows:

(i) CCI-IVC/1000/June-1951

DCCI & E/Bom/IVC/-/June-1951 etc.,

in the case of certificates issued by the Income Tax Officer between July 1st and December 31st, 1950.

(ii) CCI-IVC/1000/Dec-1951

DCCI & E/Bom/IVC/-/Dec-1951 etc.,

in the case of the certificates issued by the Income Tax Officer between January 1951 and June 30th, 1951 and so on.

6. Even though Income Tax Officers appointed by the Government of India began to operate in (1) Hyderabad (2) Mysore (3) Travancore & Cochin (4) Saurashtra and (5) Patiala and East Punjab States Union, only with effect from 1st April 1950, there was already an Income Tax Procedure which was being followed by tax payers residents in these states. For the purpose of allotment of Registration Numbers to concerns and individuals belonging to these states a proper Income Tax Verification Certificate should be produced duly certified by the Income Tax Officer of the area concerned indicating the taxes paid during any one of the five previous years, to the State Government concerned. In such cases where taxes have been paid and duly certified, an Income Tax Registration Number will be allotted by any one of the authorities referred to in para 2 above.

7. The letters allotting the Registration Numbers will clearly specify the period of validity thereof before the expiry of which the applicant will have to procure and lodge fresh Income Tax Verification Certificates with one of the licensing authorities specified above.

### III. GENERAL PROVISIONS REGARDING ALLOTMENT OF EXEMPTION NUMBERS

8. The following classes of applicants will be specifically exempt from the necessity of producing the Income Tax Verification Certificate:—

- (a) Such Government or semi-government institutions as are not liable to Income Tax.
- (b) Individuals or concerns who have not paid Income Tax during any of the previous five years and claiming to be exempt from Income Tax.
- (c) Types of persons who are not liable to Income Tax under Section 4(8) of the Indian Income Tax Act.
- (d) Residents in Madhyabharat, Rajasthan and Vindhya Pradesh, who have had no income outside the particular state unit liable to Indian Income Tax.
- (e) New Concerns claiming exemption numbers.
- (f) Residents in Jammu and Kashmir who have no assessable income in the Indian Union outside that State.

9. Those falling under clause (a) in the preceding paragraph need not apply for Exemption Numbers, and may submit applications for licences without quoting either Registration or Exemption Number. Applicants falling under clauses (b), (c), (d) and (e) of the previous paragraph who claim exemption from the production of Income Tax Verification Certificate will have to approach the Chief Controller of Imports for Exemption Number through the Income Tax Officer of the area concerned and have to submit their request in the revised form annexed hereto, along with any other necessary documents hereinafter prescribed (e.g., Affidavits, Copy of Refugee Registration Card or Camp Commandant's Certificate).

10. In the case of those falling under clauses (b) and (c) of paragraph 8 above, they will be required to declare on a stamped affidavit before a magistrate or an Oath Commissioner the fact that they have paid no Income Tax during the last five years quoting the reason therefor, or that they are exempt under Section 4(3) of the Indian Income Tax Act as the case may be, and present such affidavits with a copy thereof along with their request in the revised form to the Income Tax Officer of the area concerned. The Income Tax Officer will return to the deponent himself the original affidavit and the revised form with his endorsement as to the correctness or otherwise of the facts stated in the affidavit. The deponent will thereupon present the affidavit and the revised form with the Income Tax Officer's endorsement thereon to the Chief Controller of Imports for necessary action. The period of validity of exemption numbers granted will be calculated on the same principles as are laid down in respect of Income Tax Registration Numbers in para. 5 above.

11. As regards residents in the integrated states of (1) Madhyabharat, (2) Rajasthan and (3) Vindhya Pradesh [*vide* paragraph 8(d) above], as Income Tax has been levied there for the first time with effect from 1st April 1950 and the Income Tax Officer belonging to Indian Union are at present functioning in these states from the same dates, applicants who are resident in those areas should forward their applications for exemption numbers in the revised form accompanied by an affidavit on a stamp paper declaring that they had no income outside the particular state unit liable to Indian Income Tax. This statement should however first be presented to the Income Tax Officer who will countersign it after entering the names and addresses of such applicants in his registers for future reference.

12. As regards those falling under clause (e) of paragraph 8 above, the procedure which has hitherto been followed for the allotment of exemption numbers to new concerns will be followed on this occasion also. This procedure is as follows:—

(i) *Private Limited Companies*

Income Tax Verification Certificates/Affidavits of all the shareholders holding more than 10 per cent. (ten per cent.) of the ordinary share capital, about their income from all sources for the last 5 years.

(ii) *Public Limited Companies*

Incorporation Certificate and certificate to prove that this is a Public Limited Company.

(iii) *Partnership firms*

Income Tax Verification Certificates or affidavits of all partners about their income from all sources for the last 5 years.

(iv) *Proprietary Concerns*

Income Tax Verification Certificate or Affidavit of the proprietor about his income from all sources for the last 5 years.

13. In the case of all those falling under clauses (b), (c), (d) and (e) of paragraph 8 above, the Chief Controller of Imports will on the production of the revised form and affidavits duly completed, allot an Exemption Number for two licensing periods i.e., the period in which the certificate has been issued and the subsequent period in accordance with the existing principles for allotment of Income Tax Registration Numbers *vide* para. 5 above.

14. As regards those falling under clause (f) in paragraph 8 above, the Chief Controller of Imports will automatically grant fresh exemption numbers valid for the periods July-December 1950 and January-June 1951 to those who are already in possession of such exemption numbers. No application need therefore be submitted in such cases. Those resident in Jammu and Kashmir who have not already been allotted exemption numbers and now wish to claim them for the first time, should write direct to the Chief Controller of Imports in that behalf, stating that they have no assessable income in the Indian Union outside that state. It is not necessary to forward such claims through an Income Tax Officer, to record it in the revised form or to enclose any affidavit. Exemption Numbers allotted on the basis of such claims will also be valid for July-December 1950 and January-June 1951.

#### IV. CHANDERNAGORE

15. From the 2nd May 1950 Chandernagore has become a part of India. Applicants from this area should approach the Indian Income Tax Officer of their circle for an Income Tax Verification Certificate or an Exemption Certificate, as the case may be and then apply to the proper licensing authority for a number in the usual manner prescribed for other residents of Indian Union.

#### V. DISPLACED PERSONS

16. Displaced persons or firms who have settled in India should ordinarily approach the Chief Controller of Imports or the Licensing Authorities through the Income Tax Officer of the area concerned for an Exemption or a Registration Number in the usual way. The procedure however will be varied in the manner indicated in the following paragraph in the case of those who entered India not more than one year before their application is received by the Income Tax Officer.

17. Owing to the recent influx of displaced persons from East Pakistan, it has been decided that persons who have come to India within the last one year should be exempted by the Income Tax Officer from the production of usual affidavits on stamp paper required by other applicants for exemption numbers. The Income Tax Officer will instead, call for the Refugee Registration Card or the Camp Commandant's Certificate from the applicant and if the date of entry into India was found within one year from the date on which the Income Tax Registration form was received by him, the Income Tax Officer will dispense with the production of affidavit, and after entering the name and address of such applicant in his registers, will issue a certificate in the usual form incorporating these facts. On presentation of such a completed document the Chief Controller of Imports will allot an exemption number in the usual manner.

#### VI. MISCELLANEOUS.

18. Importers are reminded that the concessions granted during 1949 exempting the following categories are no longer in force:—

- (i) Application below Rs. 5,000.
- (ii) Displaced persons or firms who had their previous business in what is now Pakistan.
- (iii) Applications for import of Capital Goods and Heavy Electric Plants.

19. Applications for Export Licences for export to Hard Currency Areas will be taken into consideration and sanctioned if otherwise eligible irrespective of whether the applicant has lodged his Income Tax Verification Certificate or not.

20. On the Import side, the production of Income Tax Registration Numbers will not be insisted upon in the following cases:—

- (i) for import of personal belongings of small values.
- (ii) unsolicited gifts of small values where no exchange remittance is involved; and
- (iii) goods required for actual use in educational or charitable institutions, which are exempted from payment of Income Tax.

#### FORM OF CERTIFICATE OF INCOME-TAX ASSESSMENT TO BE PRODUCED BY AN APPLICANT FOR IMPORT AND EXPORT LICENCE.

1. Name and business address of the applicant:—
2. Year in which the business was established:—
3. Name and address in which the applicant is assessed to Income tax as:—
4. Whether the applicant is assessed to Income tax as:—
  - (a) Individual.
  - (b) Hindu Undivided Family.
  - (c) Company.
  - (d) Firm, or
  - (e) Association of Persons.

5. The Income tax Circle/Ward/District/ in which the applicant is assessed to Income tax:—

6. "Line" or "Lines" in which the applicant is doing business (by Major Heads).

7. (a) Reference No. (or G I R. No.) of the assessment.
- (b) Whether maximum Income tax paid during the past five years was:
- Below Rs. 100.
  - Between Rs. 100 and Rs. 500.
  - Between Rs. 500 and Rs. 1000.
  - Between Rs. 1000 and Rs. 5000.
  - Between Rs. 5000 and Rs. 10,000.
  - Above Rs. 10,000.

NOTE.—The above entries may be completed also in the cases of firms registered under Income tax Act with reference to the tax payable by the firm if assessed as an unregistered firm.

8. In case no final assessment has been made, it should be stated whether tax paid in advance (or payable) on the basis of return filed under Section 22(1) or (2) 23(B) 18A(3) of the Income tax Act was:—

- Below Rs. 100.
- Between Rs. 100 and Rs. 500.
- Between Rs. 500 and Rs. 1000.
- Between Rs. 1000 and Rs. 5000.
- Between Rs. 5000 and Rs. 10,000.
- Above Rs. 10,000.

9. The name and address of Branches of the applicant.

10. (a) In case of a firm a list showing the names and addresses of the partners should be attached to the application.

(b) In case of a Private Limited Company a list showing the names and addresses of the shareholders holding 10 per cent or more of the *ordinary* share capital of the company should be enclosed.

11. I declare that the above information is correct and complete to the best of my information and belief.

Signature of the applicant or his  
authorised Agent.....

Date:.....

(TO BE FILLED IN BY THE INCOME TAX OFFICER)

@1. In my opinion, the applicant mentioned above has been doing every thing possible to pay the tax demands promptly and regularly and to facilitate the completion of the pending or outstanding proceedings.

@2. This is a new case.

The partners

The shareholders..... Messrs. ....  
are regular tax payers and I have no objection to an exemption number being allowed to this case (Firm/Limited Company) for a period of one year from this date. The name and address of this case have been entered in our registers.

@8. This is a new case.

The partners

The shareholders.....Messrs. \_\_\_\_\_

have filed the enclosed affidavits

@\*Refugee Registration Card or Camp Commandant's  
Certificate

which have been examined and duly endorsed by me. The name and  
address of this case (Firm/Private Limited Company) have been entered  
in our registers.

Signature of Income-tax Officer.

Circle/District/Ward.....

Date:—

Seal:—

@Delete the items not applicable.

\*Applicable only to those displaced individuals or firms who have entered India  
within one year from the date of this application.

R. J. PRINGLE, Joint Secy.

